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TAGS: ECON EFIN PREL KV LT

SUBJECT: LESOTHO: DEMARCHE ON KOSOVO'S WORLD BANK AND IMF

APPLICATIONS

- 11. DCM delivered reftel's demarche April 15, 2009, to the Minister of Finance and Development Planning, Timothy Thahane, who is also the Governor for the World Bank and the International Monetary Fund (IMF) in Lesotho. DCM indicated that the IMF board has already approved Kosovo's application for membership and the USG urges GOL to pledge a `yes' vote. Thahane expressed interest in USG's position and the reasons behind it, and the DCM responded with the points in reftel.
- 12. Minister Thahane pointed out that the crucial issue is that the United Nations has formally recognized Kosovo as a sovereign state and therefore, it will be easier for Lesotho to deal with matter (DCM did not correct him on this point). He indicated that he will be leaving for Washington, D.C., on Friday, April 17, and he anticipates that they will be put under a lot pressure as governors of the IMF and World Bank to vote on this as they will all be in Washington at the time of the May 5 deadline. The Minister reiterated his confidence that the Kosovo vote will not be difficult since it was formally recognized by a multilateral organization. He added that he was looking forward to the `pink papers' for voting, and noted that supporting the USG on issues such as Kosovo was not difficult for the GOL, given the strong, mutually-beneficial relationship that the US and Lesotho have developed. Thahane made special mention of Lesotho's \$362.6 million MCC compact as evidence of this strong relationship.

NOLAN